



**Zhijian Cui**

**University of Science and Technology of China**

**Venue: LAU 7-208**

**Date: 29 Nov 2023 (Wednesday)**

**Time: 11: 00 - 12: 30**

### **Abstract:**

Although the literature has asserted that tolerance for failure (TFF), defined as a firm's ability or willingness to endure a negative outcome without penalizing the individual(s) involved is critical to innovation, it empirically remains unclear whether and how TFF culture affects R&D decisions and allocations of resources on different types of innovative initiatives. Viewing a firm's TFF culture as an attitude manifested through how a firm responds to underperforming top executives, this study developed a novel firm-level measurement for TFF. We then combine organization control theory with new product development literature to investigate how TFF could influence resource allocation in innovation and how TFF, as a specific form of internal control, interacts with external control forces, such as qualified foreign institutional investors (QFII) and public subsidy. Our results reveal that TFF could positively relate to a firm's R&D investment and exploratory innovation while negatively associated with exploitative innovation. In addition, our results suggest that public subsidy strengthens the positive effect of TFF on exploratory innovation and alleviates the negative effect of TFF on exploitative innovation. Moreover, having QFIIs weakens the positive relationship between TFF and exploratory innovation. This study contributes rigorous empirical evidence supporting the heterogeneous impacts of TFF while providing novel insights regarding the roles of OFIIs and public subsidy in regulating firms' innovation.

### **Biography:**

Dr. Zhijian Cui is a Professor of Business Administration, Doctoral Advisor, the Director of Admission for the USTC-UW global business innovation joint PhD program at School of Management, University of Science and Technology of China. Zhijian was selected into Anhui Province Hundred Talents Program in 2019. He was the Director of MBA Center at the School of Management, University of Science and Technology of China and the past President of Technology, Innovation Management and Entrepreneurship Society (2017-2019) at INFORMS (Institute for Operations Research and Management Sciences).

**Your attendance is most welcome!**



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